

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2009-01
Bill No.: HB 809
Subject: Taxation and Revenue - General; Taxation and Revenue - Sales and Use; Revenue Department.; Cities, Towns, and Villages
Type: Original
Date: April 5, 2013

Bill Summary: This proposal would require all tax districts to report to the Department of Revenue their tax rate and revenue collection information. The department would then be required to display the non-confidential information for each district on its website.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

In response to similar proposals, officials from the **Office of the Secretary of State (SOS)** assumed many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

In response to similar proposals, officials from the **Joint Committee on Administrative Rules** assume that this proposal would not have a fiscal impact to their organization in excess of existing resources.

Officials from the **Department of Revenue (DOR)** note this proposal would require each taxing jurisdiction in the state to report to the department all tax rate and revenue collection information pertaining to the jurisdiction.

The department would display, in an itemized fashion, any non-confidential information regarding each jurisdiction's tax rates and revenue collections as submitted by the taxing jurisdictions, on its website. The information would also be used by the department for oversight purposes, including verification of compliance, completeness, and accuracy in reporting with any applicable provisions of law.

The Department would create rules to implement the provisions of this section.

ASSUMPTION (continued)

The DOR response discussed part of the information that would be required to implement this proposal, and DOR officials assume they would require one additional staff person and incur IT cost of \$20,450 for 756 hours of programming to make changes to DOR systems. The DOR cost estimate totaled \$60,622 for FY 2014, \$41,458 for FY 2015, and \$41,901 for FY 2016.

Oversight notes that virtually all of this information is currently available online or in published reports, but it is not in consolidated form and it is not readily available to the general public. Oversight assumes that most of the required information could be made available with links from the Department of Revenue website to the State Tax Commission website and the Office of the State Auditor website. The balance of the information would likely be obtained by the Department of Revenue with an online entry system for local governments to report any additional information that is required. Oversight assumes virtually all of the compliance and oversight requirement could be automated, and additional staff requirements would be minimal.

Oversight assumes that the cost to develop and operate such a system would be less than \$100,000 per year and for fiscal note purposes will include such cost for the Department of Revenue.

For fiscal note purposes, **Oversight** will also include a cost to local governments of less than \$100,000 per year for staff time to report information on the DOR system.

Officials from the **Metropolitan St. Louis County Sewer District** assume there could be some cost for additional staff time but assume the cost would be minimal.

Officials from **St. Louis County**, the **City of Columbia**, the **Harrison County Health Department**, and the **Tri-County Health Department** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
Cost - DOR			
Public tax information system			
Staff and IT cost	(Less than	(Less than	(Less than
Section 32.150	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(Less than <u>\$100,000)</u>	(Less than <u>\$100,000)</u>	(Less than <u>\$100,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL GOVERNMENTS			
Cost - Local governments			
Public tax information system			
Staff cost	(Less than	(Less than	(Less than
Section 32.150	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	(Less than <u>\$100,000)</u>	(Less than <u>\$100,000)</u>	(Less than <u>\$100,000)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal would require every tax district in the state to report to the Department of Revenue its tax rate and revenue collection information. The department would use the information to provide oversight, including the verification of compliance, completeness, and accuracy in reporting, and would display each district's non-confidential information on its website in an itemized fashion.


This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

St. Louis County
City of Columbia
Metropolitan St. Louis County Sewer District
Harrison County Health Department
Tri-County Health Department

Not Responding:

Office of the State Auditor
State Tax Commission



Ross Strobe
Acting Director
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